

# HOUSE BILL No. 1661

## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 2-3-1-1; IC 5-10-8.

**Synopsis:** Legislator salary and retirement health benefits. Beginning in 2007, provides for an annual increase in legislator salaries based on the salary increases, if any, received by executive branch employees during the previous year. Provides that the legislator salary increase will not occur if the most recent state budget act includes a finding that state finances do not permit the increase to take place. Increases (from ten to 20) the years a former member of the general assembly must have served in order to participate in the state health insurance program, and requires the former member to leave the program when the former member becomes eligible for Medicare. Prohibits legislative leaders from making an election to have the general assembly contribute any part of the health insurance premium for former members of the general assembly whose last day of service is after November 7, 2006. Continues certain elections made by legislative leaders concerning conditions for participation in the state health insurance program, including the payment of 95% of the premium for that coverage by the house of representatives or the senate. Repeals and relocates without change certain provisions concerning eligibility requirements for the spouse of a legislator who dies in office.

**Effective:** July 1, 2005.

**Frizzell**

January 19, 2005, read first time and referred to Committee on Rules and Legislative Procedures.

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Introduced

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

## HOUSE BILL No. 1661

A BILL FOR AN ACT to amend the Indiana Code concerning the general assembly.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 2-3-1-1 IS AMENDED TO READ AS FOLLOWS  
2 [EFFECTIVE JULY 1, 2005]: Sec. 1. **(a)** The annual salary of the  
3 members of the general assembly shall be eleven thousand six hundred  
4 dollars (\$11,600).

5       **(b)** Except as provided by subsection (c), in 2007 and every year  
6 thereafter the annual salary of members of the general assembly  
7 shall be increased by an amount or percentage of salary, if any,  
8 that employees of the executive branch of state government  
9 received during the previous calendar year as a cost of living  
10 adjustment. When the employees of the executive branch of state  
11 government receive a general salary increase, the governor shall  
12 notify the general assembly of the part of the general increase that  
13 constitutes a cost of living adjustment. The journals of the house of  
14 representatives and the senate shall memorialize the information  
15 received from the governor.

16       **(c)** Notwithstanding subsection (b), the annual salary of the  
17 members of the general assembly shall not be increased if the most

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1 **recent state budget act includes a finding that state finances do not**  
 2 **permit an increase in the salary of the members of the general**  
 3 **assembly.**

4 (d) One-half (1/2) the annual salary shall be paid on the fifteenth  
 5 day of January, and one-half (1/2) the annual salary shall be paid on the  
 6 fifteenth day of February.

7 SECTION 2. IC 5-10-8-6.5 IS AMENDED TO READ AS  
 8 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6.5. (a) A member of  
 9 the general assembly may elect to participate in either:

- 10 (1) the plan of self-insurance established by the state police
- 11 department under section 6 of this chapter;
- 12 (2) the plan of self-insurance established by the state personnel
- 13 department under section 7 of this chapter; or
- 14 (3) a prepaid health care delivery plan established under section
- 15 7 of this chapter.

16 (b) A former member of the general assembly who meets the criteria  
 17 for participation in a group health insurance program provided under  
 18 section 8(e) ~~or 8.1~~ of this chapter may elect to participate in either:

- 19 (1) the plan of self-insurance established by the state police
- 20 department under section 6 of this chapter; or
- 21 (2) a group health insurance program provided under section 8(e)
- 22 ~~or 8.1~~ of this chapter.

23 (c) A member of the general assembly or former member of the  
 24 general assembly who chooses a plan described in subsection (a)(1) or  
 25 (b)(1) shall pay any amount of both the employer and the employee  
 26 share of the cost of the coverage that exceeds the cost of the coverage  
 27 under the new traditional plan.

28 SECTION 3. IC 5-10-8-8 IS AMENDED TO READ AS FOLLOWS  
 29 [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) This section applies only to  
 30 the state and employees who are not covered by a plan established  
 31 under section 6 of this chapter.

32 (b) After June 30, 1986, the state shall provide a group health  
 33 insurance plan to each retired employee:

- 34 (1) whose retirement date is:
  - 35 (A) after June 29, 1986, for a retired employee who was a
  - 36 member of the field examiners' retirement fund;
  - 37 (B) after May 31, 1986, for a retired employee who was a
  - 38 member of the Indiana state teachers' retirement fund; or
  - 39 (C) after June 30, 1986, for a retired employee not covered by
  - 40 clause (A) or (B);
- 41 (2) who will have reached fifty-five (55) years of age on or before
- 42 the employee's retirement date but who will not be eligible on that

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date for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.;

(3) who will have completed twenty (20) years of creditable employment with a public employer on or before the employee's retirement date, ten (10) years of which shall have been completed immediately preceding the retirement; and

(4) who will have completed at least fifteen (15) years of participation in the retirement plan of which the employee is a member on or before the employee's retirement date.

(c) The state shall provide a group health insurance program to each retired employee:

(1) who is a retired judge;

(2) whose retirement date is after June 30, 1990;

(3) who is at least sixty-two (62) years of age;

(4) who is not eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.; and

(5) who has at least eight (8) years of service credit as a participant in the Indiana judges' retirement fund, with at least eight (8) years of that service credit completed immediately preceding the judge's retirement.

(d) The state shall provide a group health insurance program to each retired employee:

(1) who is a retired participant under the prosecuting attorneys retirement fund;

(2) whose retirement date is after January 1, 1990;

(3) who is at least sixty-two (62) years of age;

(4) who is not eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.; and

(5) who has at least ten (10) years of service credit as a participant in the prosecuting attorneys retirement fund, with at least ten (10) years of that service credit completed immediately preceding the participant's retirement.

(e) The state shall make available a group health insurance program to each former member of the general assembly or surviving spouse of each former member, if the former member:

(1) is no longer a member of the general assembly;

(2) is not eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq. or, in the case of a surviving spouse, the surviving spouse is not eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.; and

(3) has at least ~~ten (10)~~ **twenty (20)** years of service credit as a member in the general assembly.

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1 A former member or surviving spouse of a former member who obtains  
 2 insurance under this section is responsible for paying both the  
 3 employer and the employee share of the cost of the coverage. **The**  
 4 **surviving spouse of a legislator who dies in office may, at any time**  
 5 **after the death of the legislator, elect to participate in the group**  
 6 **health insurance program under the same terms and conditions**  
 7 **under which the legislator could have participated.**

8 (f) The group health insurance program required under subsections  
 9 (b) through (e) must be equal to that offered active employees. The  
 10 retired employee may participate in the group health insurance program  
 11 if the retired employee pays an amount equal to the employer's and the  
 12 employee's premium for the group health insurance for an active  
 13 employee and if the retired employee within ninety (90) days after the  
 14 employee's retirement date files a written request for insurance  
 15 coverage with the employer. ~~However~~ **Except as provided by**  
 16 **subsection (j),** the employer may elect to pay any part of the retired  
 17 employee's premium with respect to insurance coverage under this  
 18 chapter.

19 (g) ~~Except as provided in subsection (j),~~ A retired employee's  
 20 eligibility to continue insurance under this section ends when the  
 21 employee becomes eligible for Medicare coverage as prescribed by 42  
 22 U.S.C. 1395 et seq., or when the employer terminates the health  
 23 insurance program. A retired employee who is eligible for insurance  
 24 coverage under this section may elect to have the employee's spouse  
 25 covered under the health insurance program at the time the employee  
 26 retires. If a retired employee's spouse pays the amount the retired  
 27 employee would have been required to pay for coverage selected by the  
 28 spouse, the spouse's subsequent eligibility to continue insurance under  
 29 this section is not affected by the death of the retired employee. The  
 30 surviving spouse's eligibility ends on the earliest of the following:

- 31 (1) When the spouse becomes eligible for Medicare coverage as
- 32 prescribed by 42 U.S.C. 1395 et seq.
- 33 (2) When the employer terminates the health insurance program.
- 34 (3) Two (2) years after the date of the employee's death.
- 35 (4) The date of the spouse's remarriage.

36 (h) This subsection does not apply to an employee who is entitled  
 37 to group insurance coverage under IC 20-6.1-6-1(c). An employee who  
 38 is on leave without pay is entitled to participate for ninety (90) days in  
 39 any health insurance program maintained by the employer for active  
 40 employees if the employee pays an amount equal to the total of the  
 41 employer's and the employee's premiums for the insurance.

42 (i) An employer may provide group health insurance for retired

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employees or their spouses not covered by this section and may provide group health insurance that contains provisions more favorable to retired employees and their spouses than required by this section. A public employer may provide group health insurance to an employee who is on leave without pay for a longer period than required by subsection (h).

(i) An employer may elect to permit former employees and their spouses, including surviving spouses, to continue to participate in a group health insurance program under this chapter after the former employee (who is otherwise qualified under this chapter to participate in a group insurance program) or spouse has become eligible for Medicare coverage as prescribed by 42 U.S.C.A. 1395 et seq. An employer who makes an election under this section may require a person who continues coverage under this subsection to participate in a retiree health benefit plan developed under section 8.3 of this chapter.

(j) Except as provided in section 8.5 of this chapter, the speaker of the house of representatives and the president pro tempore of the senate may not elect to pay any part of the premium for insurance coverage under this chapter with respect to a former member of the general assembly or the spouse of a former member of the general assembly.

SECTION 4. IC 5-10-8-8.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 8.5. An election made by a speaker of the house of representatives or the president pro tempore of the senate under IC 5-10-8-8 (before its amendment in 2005) or IC 5-10-8-8.2 (before its repeal in 2005) shall continue in effect with respect to:**

**(1) former members of the general assembly:**

**(A) whose last day of service in the general assembly was:**

**(i) after December 31, 2000; and**

**(ii) not later than November 7, 2006; and**

**(B) who otherwise qualified under IC 5-10-8 to participate in a health plan in retirement; and**

**(2) the spouses of the former members described in subdivision (1);**

**until that election is amended or revoked by the general assembly.**

SECTION 5. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2005]: IC 5-10-8-8.1; IC 5-10-8-8.2; IC 5-10-8-8.3; IC 5-10-8-8.4.

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